

# ECONOMIC DEVELOPMENT AUTHORITY[261]

## Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of 2011 Iowa Code Supplement section 15.106A, the Economic Development Authority gives Notice of Intended Action to amend Chapter 20, “Accelerated Career Education (ACE) Program,” Iowa Administrative Code.

The rules in Chapter 20 describe the Economic Development Authority’s administration of the Accelerated Career Education Program. These amendments update existing rules to reflect changes to the capital costs component of the Accelerated Career Education Program, including the repeal of the competitive application requirement for the capital costs component, the change in the allocation of capital costs appropriations and the resulting changes in the administration of this component. These amendments also update references from the Department of Economic Development to the Economic Development Authority.

The Economic Development Authority Board approved these amendments at a Board meeting on September 21, 2012.

Interested persons may submit comments on or before 4:30 p.m. on November 6, 2012. Comments may be submitted to Kristin Hanks, Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone (515)725-0440; e-mail [kristin.hanks@iowa.gov](mailto:kristin.hanks@iowa.gov).

These amendments do not have any fiscal impact to the state of Iowa.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement 2011 Iowa Code Supplement chapter 260G as amended by 2012 Iowa Acts, Senate File 2212, section 2.

The following amendments are proposed.

ITEM 1. Amend rule 261—20.1(260G) as follows:

**261—20.1(260G) Purpose.** The ACE program has three parts: the capital costs component, the program job credits component, and the accelerated career education grants program. ~~The Iowa department of economic development authority administers the first two components~~ program job credits component. The college student aid commission administers the career education grants portion of the ACE program as described in the commission’s administrative rules. The department of education administers the capital costs component. The goal of the ACE program is to provide an enhanced skilled workforce in Iowa.

ITEM 2. Amend rule **261—20.2(260G)**, definitions of “IDED” and “IDED board,” as follows:

“IDED Authority” or “department” means the Iowa department of economic development authority created in 2011 Iowa Code Supplement section 15.105.

“IDED board Board” means the members of the Iowa economic development board authorized under Iowa Code section 15.103 authority appointed by the governor and in whom the powers of the authority are vested pursuant to 2011 Iowa Code Supplement section 15.105.

ITEM 3. Amend rule 261—20.3(260G) as follows:

**261—20.3(260G) ACE program eligibility and designation.**

**20.3(1)** In order to receive ~~financial assistance under the capital projects program,~~ tax credits from withholding under the program job credits component or financial assistance through the college student aid commission’s accelerated career education grants program, a program must be designated by a

community college as an eligible ACE program. All programs must demonstrate increased capacity to enroll additional students. To be eligible, a program must be either:

*a. and b. No change.*

**20.3(2)** By resolution of a community college board of directors, an eligible program may be approved and designated as an ACE program. The respective community college board(s) of directors shall ensure compliance with Iowa Code chapter 260G. In designating ACE programs, the respective community college board(s) shall give priority to targeted industries as designated by the department authority.

**20.3(3)** A copy of the designated ACE program agreement shall be submitted to the department authority. The agreement shall state which of the three program components component (capital projects, tax job credits or education grants, or both if applicable), ~~or combination thereof~~, is included in the agreement. The department authority will maintain a record of all approved ACE programs.

**20.3(4)** The department authority will review the ACE programs job credits component of the program for issues of quality in accordance with rule 261—20.16(260G).

ITEM 4. Amend rule 261—20.4(260G) as follows:

**261—20.4(260G) Funding allocation.**

**20.4(1) Base allocation.**

*a.* Funds for ACE program job credits ~~and capital costs projects~~ shall be allocated among the community colleges in the state for the fiscal years and in the amounts specified in Iowa Code chapter 260G and these rules.

*b.* Community colleges shall submit program agreements to access allotted funds for program job credits. The program agreement shall document the findings of the community college that all ACE eligibility requirements have been met.

**20.4(2) Alternate allotment.** If a community college fails to commit any of its allotment by April 1 of the fiscal year, the funds for that community college will be allocated to other community colleges based upon need as described in these rules. Program job credits are considered to be committed if there is a signed program agreement in place or if there is a statement of intent in place that states that a signed program agreement will be in place by May 1 of the fiscal year.

ITEM 5. Amend rule 261—20.7(260G) as follows:

**261—20.7(260G) Administration.** The department authority will administer the statewide allocations and will consult with representatives of the community colleges to promulgate necessary forms and collect necessary information. ~~The department will monitor program agreements for the purposes of preparing a study of the needs and performance of approved programs for submission to the general assembly by the department by December 31, 2002.~~ The department authority may deny the allocation of program job credits to any program which fails to comply with Iowa Code chapter 260G.

ITEM 6. Amend rule 261—20.9(260G) as follows:

**261—20.9(260G) Program costs recalculation.** Program costs shall be calculated or recalculated on an annual basis based on the required program services for a specific number of participants. Agreement updates reflecting this recalculation must be submitted to ~~IED~~ the authority annually to review compliance with program parameters.

ITEM 7. Rescind and reserve rule **261—20.10(260G)**.

ITEM 8. Rescind and reserve rule **261—20.11(260G)**.

ITEM 9. Rescind and reserve rule **261—20.12(260G)**.

ITEM 10. Amend subrule 20.14(1), introductory paragraph, as follows:

**20.14(1)** The department authority shall ~~allot~~ allocate the total amount of program job credits authorized and available for the fiscal year to each community college based upon need ratios as follows:

ITEM 11. Amend subrule 20.14(2) as follows:

**20.14(2)** For purposes of ~~allotment~~ such allocation, the foregoing ratios shall be applied to commitments made by community colleges pursuant to three cycle periods during the fiscal year, beginning on the following cycle dates: August 1, December 1, and May 1.

ITEM 12. Strike “department” wherever it appears in subrules **20.14(3)**, **20.14(5)** and **20.14(6)** and insert “authority” in lieu thereof.

ITEM 13. Strike “department” wherever it appears in rules **261—20.16(260G)** to **261—20.18(260G)**, except in the phrase “department of workforce development,” and in subrule **20.19(2)** and insert “authority” in lieu thereof.

ITEM 14. Adopt the following **new** subrule 20.19(4):

**20.19(4)** *Grow Iowa values fund allocations—transition provision.* The grow Iowa values fund and financial assistance program as established by 2009 Iowa Acts, Senate File 344, was repealed by 2011 Iowa Acts, chapter 133. The repeal took effect on June 30, 2012. The rules pertaining to the grow Iowa values fund and financial assistance program that were in effect upon the repeal of the program shall apply to all awards made and all contracts entered into under the program after July 1, 2009, and on or before June 30, 2012, and shall continue to apply until such time as all such contracts, including all amendments to such contracts, reach the end of their effective contract periods and are closed by the community colleges. Beginning on July 1, 2012, no additional grow Iowa values fund moneys are available for allocation under the accelerated career education program.

ITEM 15. Amend **261—Chapter 20**, implementation sentence, as follows:

These rules are intended to implement 2011 Iowa Code Supplement chapter 260G ~~and 2005 Iowa Acts, House File 868 and House File 809~~ as amended by 2012 Iowa Acts, Senate File 2212.